

State of California  
BOARD OF EQUALIZATION  
USE FUEL TAX REGULATIONS

**Regulation 1301. FUEL.**

*Reference:* Sections 7304, 8604, 8607, 8613, 8615, and 8651.6, Revenue and Taxation Code.

Fuel includes any combustible gas or liquid, by whatever name the gas or liquid may be known or sold, of a kind used in an internal combustion engine for the generation of power to propel a motor vehicle on the highways, except fuel that is subject to the tax imposed by the Motor Vehicle Fuel License Tax Law and the Diesel Fuel Tax Law. For example, fuel includes, but is not limited to, liquefied petroleum gases, kerosene, distillate, stove oil, natural gas in liquid or gaseous form, and alcohol fuels. "Alcohol fuel" includes: ethanol (ethyl alcohol), methanol, (methyl alcohol), or blends of gasoline and alcohol (including any denaturant) containing 15 percent, or less, gasoline by volume measured at 60 degrees Fahrenheit.

"Natural gas" means naturally occurring mixtures of hydrocarbon gases and vapors consisting principally of methane whether in gaseous or liquid form.

The taxable unit for compressed natural gas (gaseous form) is 100 cubic feet of gas measured at 14.73 pounds of pressure per square inch at 60 degrees Fahrenheit.

The taxable unit for liquid natural gas and other liquid fuels is the United States gallon, which is 231 cubic inches. To convert liters to gallons, the quantity of liters shall be multiplied by .26417 to determine the equivalent quantity in gallons. The resulting figure should be rounded to the nearest tenth of a gallon.

*History:* Effective January 1, 1949.

Amended effective October 12, 1966.

Amended December 8, 1970, effective January 15, 1971.

Amended April 9, 1980, effective June 19, 1980. Added liter-to-gallon conversion factor in last two sentences.

Amended July 28, 1982, effective December 5, 1982. Added last sentence to first paragraph referring to gas — alcohol blends, ethanol and methanol, and deleted reference to Business and Professions Code Section 12302 in last paragraph.

Amended December 9, 1998, effective May 20, 1999. Added "and the Diesel Fuel Tax Law" after "the Motor Vehicle Fuel License Tax Law" in first sentence; deleted "diesel fuel", removed the "and" after "stove oil", and added "and alcohol fuels" after "gaseous form" in second sentence; and replaced "On and after January 1, 1982, fuel" with "Alcohol fuel" in third sentence. Deleted "On and after January 1, 1971" from beginning of third paragraph.